Chapter 7

Implementing the Solutions

During the implementation stage of the Roadmap, a long-term advisor is hired to help implement the solutions identified in the previous stage. At this point, the project reaches the moment of truth. A thorough analysis of the problem has been made. Government officials have stated that they are concerned about the problems and excited about the solutions. Government officials have come together to carve out creative, intelligent solutions to solve the problems. Everything is lined up for success, correct?

In many cases, no. Donors regularly lament the implementation stage as the failure of many good projects. Countless reports with high quality recommendations line the bookshelves of donor offices, never having been put into operation. Some donors use coercion to ensure implementation – even in those cases implementation is temporary if effective at all.

Implementation failure is a disease that not only affects developing nations' governments, but all large organizations. Billions of dollars are spent annually on consultancies design to enhance profitability, customer service, delivery, product quality, and many other dimensions of business performance. Why do these transformation plans fail?

In his best-selling book, "<u>Leading Change</u>", John P. Kotter lists eight mistakes:

1) *Allowing too much complacency*
2) *Failing to create a sufficiently powerful guiding coalition*
3) *Understanding the power of vision*
4) *Under-communicating the vision by a factor of 10*
5) *Permitting obstacles to block the new vision*
6) *Failing to create short-term wins*
7) *Declaring victory too soon*
8) *Neglecting to anchor changes firmly in the corporate culture*.

The most frequent failings in developing countries often are a result of Kotter's 1st through 5th. Witness the following example from Tanzania's Import Clearance Workshop:

> *Tanzania faced a number of problems in clearing goods through the port of Dar Es Salaam. There were several different circumstances under which goods came into the port. These included goods for importation to Tanzania, capital goods, goods destined for customs warehouses, goods destined for other countries, and goods intended for re-export. While all of the problems were significant, the basic process of importation for consumption in Tanzania was considered to be the highest priority.*

The import clearance process took 3 to 6 days, which lagged well behind world-class ports which clear goods in 1 hour and even neighboring African ports, most of which are can clear goods in less than 48 hours. Many articles were stolen from shipments, under-declared goods sat around for days, inspections were significant problems, manifests had missing pages, corruption was rife, and many other problems existed. This process was crucial to the competitiveness of many of Tanzania's manufacturing base.

A workshop was assembled in order to address some of the procedural impediments to the process. In the workshop, quality ideas were developed by the participants. The participants of the workshop then formed a group that was empowered to implement the changes.

The output of the group after a year was disappointing. Some of the ideas were implemented, but most of the ambitious plan was never addressed. Several pitfalls derailed the group, as it had to make several separate efforts to finally implement the ideas.

When examining what went wrong, several lessons came to the forefront:

- *Team members were chosen for their ability; all were top performers. However, this meant that all were called into many high-profile projects. Consequently, it was almost impossible to get them together on a constant basis*
- *While there was high-level support for the project, the communication between the steering committee and the implementation team was less-than-adequate.*
- *The goals of the team were unclear and underdeveloped.*

When translated into the errors mentioned by Kotter, the change process in Tanzania fell into many of the pitfalls:

- **Allowing too much complacency** – The team of people were achievers. Due to institutional reform programs, many of their respective organizations had recently gone through downsizing programs. The participants were taking on the job responsibilities of many positions. As a result of their day-day activities, the priority of the change program was lowered to nearly the bottom.

- **Understanding the power of vision** – A vision for a new process was never properly conceived by the steering committee. The committee wanted a better process – how much better was never articulated. The benefits of a better process were never articulated. As a result, many of the participants never understood what they were working towards.

- **Under-communicating the vision by a factor of 10** – Each of the steering committee members had a vision individually. This vision was usually communicated by using terminology as "better" and "faster" rather than hard goals, timeframes, and results. Because the visions were not communicated to the team, their roles in achieving the visions were not clear. Consequently, each of the participants deprioritized the exercise in favor of other job activities.

- **Permitting obstacles to block the new vision –** The import clearance process has always been a source of significant corruption. While it wasn't obvious that employees objected to changes which would reduce their opportunities to rent-seek, the obstacles that would come in front of the team often slowed them down and caused the team to avoid contentious issues.

In implementing forms, the facilitator must be aware of Kotter's eight pitfalls, and as well as a number of other problems that could potentially emerge. There are techniques that increase the likelihood that the implementation of Roadmap recommendations takes place.

The Role of the Different People

Typically, there are three identifiable actors in the implementation of recommendations. The sponsor, leveraged throughout the Roadmap exercise is extremely important, if not intimately involved. A steering committee, usually consisting of senior managers of participating organizations oversees the efforts and is more active. Finally, there is implementation group, which takes responsibility for the day-to-day activities intended to result in change.

The sponsor usually participates in the process by chairing the Steering Committee. Depending upon the number of different change exercises taking place in the country at the time, this sponsor has a holistic view of how the changes being made in, say, the import clearance process share inputs and outputs with the immigration procedures. This role is not particularly an active one. Therefore, if a choice were to be made (which is often a consideration) between a high-ranking sponsor (such as a Prime Minister) and a highly active sponsor (such as a Permanent Secretary to the Prime Minister), the former would be more desirable.

The Steering Committee's role is to communicate objectives to the implementation group and to receive progress reports. Because the Steering Committee usually consists of heads of each of the participants' agencies, usually each participant has direct reporting responsibility to one or more of the steering committee members. This is a powerful motivator.

The steering committee plays a very important role in overcoming obstacles that are out of the implementation committee's reach. An example of this would be the desire on the part of the Tanzanian's to combine all port expenses on a single invoice. Opposition to this recommendation came from the accounts receivable department that would now have new procedures. Since that department was not represented on the implementation group, intervention by the Director General of the Port was required.

The implementation group ideally consists of the same personnel that made up the team doing that identified the solutions. This team is particularly well-suited to implement the recommendations for, if no other reason, they "own" the ideas and they are intimately familiar with the ideas. When considering the implementation of the ideas, the operational personnel have other distinct advantages in designing the changes:

1) They will likely be responsible for seeing the implementation through
2) They will be able to witness the results – and side effects – of the implementation
3) Because the feedback will be real-time, they will be well positioned to participate in continuous improvement.

Piloting and Learning

The problems listed above could have sunk a large scale project and caused it to be labeled a failure. Typically, after the first round is unsuccessful, the whole of the project is abandoned in favor of the latest "exciting" initiative. However, the fact that the agencies involved in clearing goods went through the experience has led to the fact that efforts to change other processes will be much more effective.

The Director Generals of the various departments indicated that the import clearance process was one of 3 processes that desperately required attention; the others were transit goods clearance and export clearance. The latter wasn't as much of a problem as the other two processes, but it was very significant to Tanzanian manufacturers.

By regrouping after the working with the first process, the group was able to learn valuable lessons. For the other two processes, some members will be replaced with other participants that have the time to devote to the work. The Steering Committee, comprised of the heads of the various agencies participating was convened to more clearly identify their goals for the exercises. These goals were then communicated to the participants in a much more clear and distinctive manner.

Usually the participants in such an activity have not participated in a change exercise. Typically in developing countries, change is left to organization leaders, regardless of their knowledge and intimacy with the "on-the-ground" situation. Moving the responsibility to younger, less senior officers ensures that their understanding of the problems, their solutions, and the potential barriers for implementation are clearer. However, younger officers often lack the skills to properly implement.

While a facilitator can foresee many, if not all of the problems an implementation exercise is likely to face, it is not often in the best interests of sustainability for the facilitator to identify these problems to the group ahead of time. The alternative is to allow the participants to fail – this can be valuable learning if the following steps are taken:

- The organizational heads have modest expectations for the first attempt (ensured by the facilitator)
- That projects are not taken on a grand-scale, but on a step-by-step basis
- That learning comes about by revisiting the project on a regular basis to draw out lessons from the successes and failures.

Measuring Progress

The measurement of the effects of changes introduced by the Roadmap is a paradox. There are significant advantages to carefully measuring progress in that it can direct a team to continue on a current path or make changes. It can help financiers and

managers make decisions to continue, halt, or extend projects. It can motivate other projects to get underway.

Metrics also have significant weaknesses, particularly when the intent of the changes is to improve something as intangible as "customer service". The ultimate goal of the Investor Roadmap is to increase Foreign Direct Investment. Of course, an investor's decision of where to invest is driven by a multitude of factors including a country's political and economic stability, population size and economic standing, access to free-trade agreements, and many external factors including strength of the world economy and alternative opportunities.

Therefore, the measurement of a change in the Investor Roadmap should, in an effort to measure progress towards the ultimate goal, reflect the impact of the change on FDI. Can a government determine the impact of a reduced number of forms on FDI? At best, the result would be inexact; at worst, misleading.

The alternative is to measure the changes themselves. It used to take 6 months to process a work permit in Tanzania, now it takes 2 weeks. This is considerably more of an exact science. However, what is the outcome of the change. Was it worth the effort?

There are two different dimensions on the measurement of delivery of services. One dimension considers outcomes, such as the impact on FDI vs. activities, which includes the number of forms eliminated or time reduced. The other considers the whether the data from the measurement comes from actual measurements or surveys.

Actual	
• Length of Processing in weeks • Number of Forms in Use	• Increase in FDI • Increase in Exports
Activity	**Outcome**
• "How long did the process take" • "Was the clerk nice"	• "Will you invest here?" • "Will you recommend to others"
Survey	

The figure on the left provides examples of the four different types of measurements that result:

Actual-Activity: This measurement is characterized by the old management method of standing over the employee with a stopwatch to measure productivity. In terms of the Roadmap, it measures the changes themselves.

It is often the most accurate measurement.

Actual-Outcome: This measurement would measure what is ultimately important – the impact of the changes.

It is perhaps the least accurate measure of the four.

Survey-Activity: This measure is generally used to measure employees' progress (rather than systems). It is normally used to measure the outcomes of customer service training. However, it can often be telling about customers' perceptions of reality. Examples exist of companies providing a service in hours, which customers felt was "days".

Survey-Outcome: While not as sound as **Actual-Outcome**, surveys can be particularly useful in addition to measures of actual performance. This type of survey generates information that is often used in Investor Roadmaps to motivate governments to act. Because in many developing countries the sample size of investors from year to year is low, a survey can often become the most effective tool if implemented properly.

The science (sometimes "art") of measuring progress usually requires a multi-faceted approach. Actual-Outcomes are not accurate enough to stand on their own. Survey-Activities are not telling enough. It is often a combination that will help a government understand its progress.

However, an organization can over-analyze progress. In the Dominican Republic, the government takes steps to maintain statistics on exports, which is common around the world. However, the body charged with collecting the data, the Export Board, actually delays the process of exporting, sometimes for days, to collect information. This can create an intolerable situation for investors.

While the example is extreme, the result is illustrative. A government must not only be concerned with the burden it places on investors to help collect data, it must decide when it has enough data, and when its staff spends more time collecting, collating, and reporting data than it does performing the activity.

A faciliatator's role in implementing changes including advising the government which package of measures is appropriate. Initially, the measures should not interfere with the process but should be enough to identify "quick wins" in order to motivate and build momentum. As the project develops, the facilitator must help the government design a cocktail of measurements and refine them.

Communicating

As noted by Kotter, communication is often a downfall of many projects. This was noted in the South Africa Roadmap of 1997. At the time, the South African Government was decentralizing many of its activities.

> *"Geographic decentralisation has been accompanied by bureaucratic decentralisation. Many government departments are undergoing change independently, without a common direction. Many departments have expressed interest in establishing their own "one-stop" shops for their required application procedures. In the end, the investor will face the need to go to several departmental "one-stop shops" during the start-up phase, effectively defeating the purpose. In some cases, computer systems and applications are being developed independently in each department, risking future incompatibilities.*
>
> *Government departments must be aware of the processes of which they are a part. This study has focused on the thirteen processes that an investor must complete to start a business. Often, processes that require the participation of several agencies have problems not due to the individual agencies, but due to incongruities between the departments."*
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> - The Investor Roadmap to South Africa, 1997

A typical Roadmap process improvement involves improving the communication between departments. However, in order to effectively implement change, communication must be addressed between the various levels of management. While this is not usually completely overlooked, it is often underestimated.

An organization has a wide range of tools by which it can communicate changes. These include:

Group communication:
- Bulletin or announcement boards in common areas
- Open memoranda (addressed to many people)
- Verbal communication to group from supervisor
- Training session
- Instruction book
- Conference Calls

**Individual one-on-one communication**
- Specific memos (focused on one recipient)
- Individual communication from supervisor
- Emails
- Phone calls

These range from highly public, such as the community bulletin board, to highly intimate such as a face-to-face meeting between an employee and a supervisor. The choice of communication is largely dependent on the impact the message has on the intended recipient.

An employee whose job or fundamental job description is altered by change requires a high level of intimacy in the communication - anything less would be considered inappropriate. For example, if, as a result of changes a particular clerk would no longer be required to process documents, a public announcement of any type would be highly inappropriate.

However, intimate communication with a employee who only requires information would be unnecessary. Most individual one-on-one communications signify that a recipient pay extra attention to the message. If the message refers to changes in a neighboring department that will not affect the employee, the effort expended to communicate an intimate message is a waste of the communicator's time and possibly a waste of the recipient's time.

This concept is illustrated in figure 7.2:
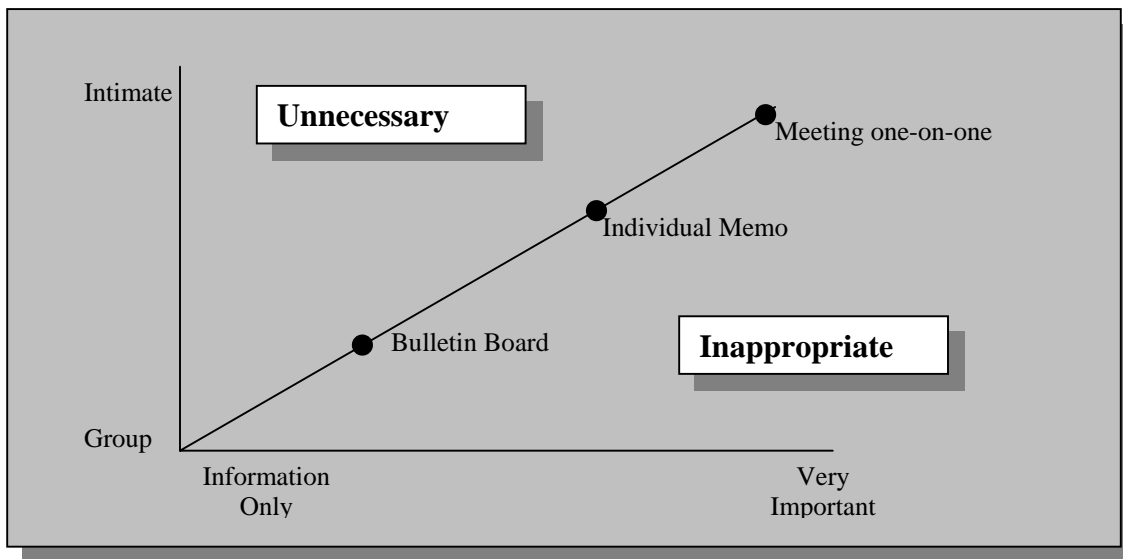
Communication is considered at the beginning of the implementation stage. Often, communication is relegated to a last step, and as a result is often constrained by resources. This can undermine an otherwise successful project and cause more harm than remaining status quo.

Continuous Improvement

Because there are so many X factors in making change, it is very infrequent that the change of an entire process can be mapped from beginning to end. There are several reasons why it is better to make small changes and reassess than it is to create a single implementation plan:

1) Not easy to be accurate right from the start. Method of do-learn-assess-do-learn-assess etc has proven to be very effective when applied continuously.
2) Shooting after moving target. Because the market for foreign investors is competitive, a country can be sure that by the time it catches up to its neighbors, the neighbors have become better than they were in the past.
3) Changing delivery of services changes customer's expectations. What had been acceptable (perhaps painfully), now becomes intolerable. The target could have gone from good to acceptable. Unless you are leading, you are following. Either way, you are moving.

"Continuous" loosely equates to a favorite development word – "Sustainable". Virtually anything can be changed for short periods of time. Malawi demonstrated this with the requirement handed down from the office of the president that work permits, which previously took 3 months plus – were to take 15 days. The ministries of Immigration and Labor were able to implement this as long as the pressure stayed on. It was impossible to keep up the pace, and eventually when the top government stopped noticing, the process slipped back to 3 months.

While lessons could have been learned they weren't. The change process is unique for each country, as the combination of government structure, cultural norms, and power structure for each country is distinct. Change leaders can not possibly hope to apply a cookie-cutter methodology to introducing change. Therefore, change processes are usually not designed in enormous multiple year strategic plans until pilots are conducted.